



Billing Code: 4310-MR

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

Outer Continental Shelf (OCS) Western Planning Area (WPA) Gulf of Mexico (GOM) Oil and Gas Lease Sale 229

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Final Notice of Sale

SUMMARY: On Wednesday, November 28, 2012, BOEM will open and publicly announce bids received for the blocks offered in the Western Planning Area (WPA) Sale 229, in accordance with provisions of the OCS Lands Act (OCSLA) (43 U.S.C. 1331-1356, as amended) and the regulations issued thereunder (30 CFR part 556). The Final Notice of Sale (NOS) 229 Package (Final NOS Package) contains information essential to potential bidders, and bidders are charged with the knowledge of the documents contained in that package. The Final NOS Package may be obtained from BOEM, as provided below.

DATES: Public bid reading for WPA Sale 229 will begin at 9 a.m., Wednesday, November 28, 2012, at the Mercedes-Benz Superdome, 1500 Sugarbowl Drive, New Orleans, Louisiana 70112. The lease sale will be held in the St. Charles Club Room on the second floor (Loge Level). Entry to the Superdome will be on the Poydras Street side of the building through Gate A on the Ground Level, and parking will be available at Garage 6. All times referred to in this document are local New Orleans times, unless otherwise specified.

ADDRESS: Interested parties can obtain a Final NOS Package by writing, calling, or visiting the website:

Gulf of Mexico Region Public Information Office

Bureau of Ocean Energy Management

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

(504) 736-2519 or (800) 200-GULF

BOEM Internet website at:

<http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx>.

FILING OF BIDS: Bidders must submit sealed bids to the address below, between 8 a.m. and 4 p.m. on normal working days, and from 8 a.m. to the Bid Submission Deadline of 10:00 a.m. on Tuesday, November 27, 2012, the day before the lease sale. If bids are mailed, please address the envelope containing all of the sealed bids as follows:

Attention: Leasing and Financial Responsibility Section

BOEM Gulf of Mexico Region

1201 Elmwood Park Boulevard

New Orleans, Louisiana 70123-2394

Contains Sealed Bids for WPA Oil and Gas Lease Sale 229

Please Deliver to Ms. Cindy Thibodeaux or Ms. Kasey Couture,

2nd Floor, Immediately

Please Note:

1. Bidders mailing bids are advised to call Ms. Cindy Thibodeaux at (504) 736-2809, or Ms. Kasey Couture at (504) 736-2909, immediately after putting their bids in the mail. If BOEM receives bids later than the Bid Submission Deadline, the BOEM Regional Director (BOEM RD) will return those bids unopened to bidders. Should an unexpected event such as flooding or travel restrictions be significantly disruptive to bid submission, BOEM may extend the Bid Submission Deadline. Bidders may call (504) 736-0557 or access the BOEM Gulf of Mexico Internet website at <http://www.boem.gov/About-BOEM/BOEM-Regions/Gulf-of-Mexico-Region/Index.aspx> for information about the possible extension of the Bid Submission Deadline due to such an event.
2. Blocks or portions of blocks beyond the United States (U.S.) Exclusive Economic Zone are offered based upon provisions of the 1982 Law of the Sea Convention.
3. Blocks near the U.S.-Mexico maritime and continental shelf boundary could become subject to the Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico (Agreement). Bidders are advised to refer to the **Bids on Blocks near U.S.-Mexico Maritime and Continental Shelf Boundary** portion of this document for detailed information pertaining to the opening of bids affecting blocks in this area.

AREAS OFFERED FOR LEASING: In WPA Sale 229, BOEM is offering to lease all blocks and partial blocks listed in the document “List of Blocks Available for Leasing” included in the Final NOS package. All of these blocks are shown on the following leasing maps and Official Protraction Diagrams (OPDs):

Outer Continental Shelf Leasing Maps - Texas Map Numbers 1 through 8

(These 16 maps sell for \$2.00 each.)

TX1	South Padre Island Area (revised November 1, 2000)
TX1A	South Padre Island Area, East Addition (revised November 1, 2000)
TX2	North Padre Island Area (revised November 1, 2000)
TX2A	North Padre Island Area, East Addition (revised November 1, 2000)
TX3	Mustang Island Area (revised November 1, 2000)
TX3A	Mustang Island Area, East Addition (revised September 3, 2002)
TX4	Matagorda Island Area (revised November 1, 2000)
TX5	Brazos Area (revised November 1, 2000)
TX5B	Brazos Area, South Addition (revised November 1, 2000)
TX6	Galveston Area (revised November 1, 2000)
TX6A	Galveston Area, South Addition (revised November 1, 2000)
TX7	High Island Area (revised November 1, 2000)
TX7A	High Island Area, East Addition (revised November 1, 2000)
TX7B	High Island Area, South Addition (revised November 1, 2000)
TX7C	High Island Area, East Addition, South Extension (revised November 1, 2000)
TX8	Sabine Pass Area (revised November 1, 2000)

Outer Continental Shelf Leasing Maps - Louisiana Map Numbers 1A, 1B, and 12

(These 3 maps sell for \$2.00 each.)

LA1A	West Cameron Area, West Addition (revised February 28, 2007)
LA1B	West Cameron Area, South Addition (revised February 28, 2007)

LA12 Sabine Pass Area (revised July 1, 2011)

Outer Continental Shelf Official Protraction Diagrams

(These 7 diagrams sell for \$2.00 each.)

NG14-03 Corpus Christi (revised November 1, 2000)

NG14-06 Port Isabel (revised November 1, 2000)

NG15-01 East Breaks (revised November 1, 2000)

NG15-02 Garden Banks (revised February 28, 2007)

NG15-04 Alaminos Canyon (revised November 1, 2000)

NG15-05 Keathley Canyon (revised February 28, 2007)

NG15-08 Sigsbee Escarpment (revised February 28, 2007)

Please Note:

A CD-ROM (in ARC/INFO and Acrobat (.pdf) format) containing all of the GOM leasing maps and OPDs, except for those not yet converted to digital format, is available from the BOEM Gulf of Mexico Region Public Information Office for a price of \$15.00. These GOM leasing maps and OPDs are also available for free online in .pdf and .gra formats at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Mapping-and-Data/Official-Protraction-Diagrams.aspx>.

For the current status of all GOM WPA leasing maps and OPDs, please refer to 66 FR 28002 (published May 21, 2001), 67 FR 60701 (published September 26, 2002), 72 FR 27590 (published May 16, 2007), and 76 FR 54787 (published September 2, 2011). In addition, Supplemental Official OCS Block Diagrams (SOBDs) for blocks containing the U.S. 200 Nautical Mile Limit line and the U.S.-Mexico Maritime and Continental Shelf Boundary line are available. These SOBDs also are available from BOEM Gulf of Mexico Region Public

Information Office. For additional information, or to order the above referenced maps or diagrams, please call the Mapping and Automation Section at (504) 736-5768.

All blocks are shown on these leasing maps and OPDs. The available Federal acreage of each whole and partial block in this lease sale is shown in the document “List of Blocks Available for Leasing” included in the Final NOS Package. Some of these blocks may be partially leased or deferred, or transected by administrative lines such as the Federal/state jurisdictional line. A bid on a block must include all of the available Federal acreage of that block. Also, information on the unleased portions of such blocks is found in the document “Western Planning Area, Lease Sale 229, November 28, 2012 - Unleased Split Blocks and Available Unleased Acreage of Blocks with Aliquots and Irregular Portions under Lease or Deferred” included in the Final NOS Package.

AREAS NOT AVAILABLE FOR LEASING: The following whole and partial blocks are not offered for lease in this sale:

Whole blocks and portions of blocks that lie within the boundaries of the Flower Garden Banks National Marine Sanctuary in the East and West Flower Garden Banks and Stetson Bank (the following list includes all blocks affected by the Sanctuary boundaries):

High Island, East Addition, South Extension (Leasing Map TX7C)

Whole Block: A-398

Portions of Blocks: A-366*, A-367*, A-374*, A-375, A-383*, A-384*, A-385*,
A-388, A-389, A-397*, A-399, A-401

*Leased

High Island, South Addition (Leasing Map TX7B)

Portions of Blocks: A-502, A-513

Garden Banks (OPD NG15-02)

Portions	of	Blocks:	134,	135
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Whole blocks and portions of blocks that lie within the former Western Gap and that lie within 1.4 nautical miles north of the continental shelf boundary between the United States and Mexico:

Keathley Canyon (OPD NG15-05)

Portions of Blocks: 978 through 980

Sigsbee Escarpment (OPD NG15-08)

Whole Blocks: 11, 57, 103, 148, 149, 194

Portions of Blocks: 12 through 14, 58 through 60, 104 through 106, 150

Blocks currently subject to bid or termination appeals:

Garden Banks (NG15-02)

Blocks 623 and 624

Please Note:

Bids on Blocks near the U.S.-Mexico Maritime and Continental Shelf Boundary

The following definitions apply to this section:

“Agreement” refers to an agreement between the United Mexican States and the United States of America that addresses identification and unitization of transboundary hydrocarbon reservoirs, allocation of production, inspections, safety, and environmental protection. A copy of the Agreement can be found at

<http://www.boem.gov/BOEM-Newsroom/Library/Boundaries-Mexico.aspx>.

“Boundary Area” means an area comprised of any and all blocks in the WPA, that are located or partially located within three statute miles of the maritime and continental shelf boundary with Mexico, as that maritime boundary is delimited in the November 24, 1970 Treaty to Resolve

Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary; the May 4, 1978 Treaty on Maritime Boundaries between the United Mexican States and the United States of America; and the June 9, 2000 Treaty on the Continental Shelf between the Government of the United Mexican States and the Government of the United States of America.

The Agreement was signed on February 20, 2012, but has not yet been approved by Congress.

Bids submitted on any available block in the “Boundary Area” (as defined above) may be segregated from bids submitted on blocks outside the Boundary Area. Bids submitted on available blocks outside the Boundary Area will be opened on the date scheduled for sale. Bids submitted on blocks in the Boundary Area may not be opened on the date scheduled for the sale, but may be opened at a later date. Within 30 days after the approval of the Agreement or by May 31, 2013, whichever occurs first, the Secretary of the Interior will determine whether it is in the best interest of the United States either to open bids for Boundary Area blocks or to return the bids unopened.

In the event the Secretary decides to open bids on any available blocks in the Boundary Area, BOEM will notify such bidders at least 30 days prior to opening such bids, and will describe the terms of the Agreement under which leases in the Boundary Area will be issued. Bidders on these blocks may withdraw their bids at any time after such notice up until 10 a.m. of the day before bid opening. If BOEM does not give notice within 30 days of the approval of the Agreement, or by May 31, 2013, whichever comes first, BOEM will return the bids unopened. This timing will allow companies to make decisions regarding the next annual WPA lease sale (anticipated in 2013), which also may offer blocks in this area. BOEM reserves the right to return these bids at any time. BOEM will not disclose which blocks received bids or the names

of bidders in this area unless and until the bids are opened.

BOEM currently anticipates that blocks in the Boundary Area that are not awarded as a result of WPA Sale 229 would be reoffered in the next lease sale for the WPA in 2013.

The following blocks comprise the Boundary Area:

Port Isabel Blocks – 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 945, 946, 947, 948, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 989, 990, 991, and 992

Alaminos Canyon Blocks – 881, 882, 883*, 884*, 885, 886, 887, 888, 889, 890, 891, 892, 893*, 894*, 895, 896, 897, 898, 899*, 900*, 901*, 902*, 903*, 904*, 905, 906, 907, 908, 909, 910, 911, 912, 925, 926, 927*, 928*, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939*, 940, 941, 942*, 943*, 944*, 945*, 946, 947*, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, and 1009

Keathley Canyon Blocks – 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, and 981

Sigsbee Escarpment Blocks – 11, 12, 13, 14, 15, 57, 58, 59, 60, 61, 103, 104, 105, 106, 148, 149, 150, and 194

South Padre Island Blocks – 1154, 1163, 1164, 1165, and 1166

South Padre Island, East Addition Blocks – 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, A 78, A 79, A 80, A 81, A 82, A 83, A 84, A 85, A 86, A 87, A 89, and A 90

*Leased

STATUTES AND REGULATIONS: Each lease is issued pursuant to OCSLA, regulations promulgated pursuant thereto, other applicable statutes and regulations in existence upon the

Effective Date of the lease, and those applicable statutes enacted (including amendments to OCSLA or other statutes) and regulations promulgated thereafter, except to the extent they explicitly conflict with an express provision of the lease. Amendments to existing statutes and regulations, including but not limited to OCSLA, as well as the enactment of new statutes and promulgation of new regulations, which do not explicitly conflict with an express provision of the lease, will apply to the leases issued as a result of this sale. Moreover, the lessee expressly bears the risk that such new statutes and regulations (i.e., those that do not explicitly conflict with an express provision of the lease) may increase or decrease the lessee's obligation under the lease.

BOEM will use Form BOEM-2005 (October 2011) to convey leases resulting from this sale.

This lease form may be viewed on the BOEM website at <http://www.boem.gov/About-BOEM/Procurement-Business-Opportunities/BOEM-OCS-Operation-Forms/BOEM-OCS-Operation-Forms.aspx>. The lease form will be amended to conform with the specific terms, conditions, and stipulations applicable to the individual lease.

LEASE TERMS AND CONDITIONS: Initial periods, minimum bonus bid amounts, rental rates, escalating rental rates for leases in depths less than 400 meters with an initial period longer than 5 years, royalty rates, minimum royalties, and royalty suspension provisions, if any, applicable to this sale are noted below. Additionally, these terms and conditions for leases resulting from this lease sale are depicted on the map "Final, Western Planning Area, Lease Sale 229, November 28, 2012, Lease Terms and Economic Conditions."

INITIAL PERIODS: Initial periods are summarized in the following table:

<u>Water Depth in Meters</u>	<u>Initial Periods</u>
0 to <400	Standard initial period is 5 years; the lessee may earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded during the first 5 years of the lease targeting hydrocarbons below 25,000 feet True Vertical Depth Subsea (TVD SS)
400 to <800	Standard initial period is 5 years; the lessee will earn an additional 3 years (i.e., for an 8-year extended initial period), if a well is spudded during the first 5 years of the lease
800 to <1,600	Standard initial period is 7 years; the lessee will earn an additional 3 years (i.e., for a 10-year extended initial period), if a well is spudded during the first 7 years of the lease
1,600+	10 years

A. The standard initial period for a lease in water depths of less than 400 meters issued from this sale is 5 years. If the lessee spuds a well within the first 5 years of the lease targeting hydrocarbons below 25,000 feet TVD SS, then the lessee may earn an additional 3 years, for an 8-year extended initial period. The lessee will earn the 8-year extended initial period in cases where the well is drilled to a target below 25,000 feet TVD SS, or the lessee may earn the 8-year extended initial period in cases where the well targets, but does not reach, a depth below 25,000 feet TVD SS due to mechanical or safety reasons, where sufficient evidence is provided.

In order to earn the 8-year extended initial period, the lessee is required to submit to the Bureau of Safety and Environmental Enforcement (BSEE) GOM Regional Supervisor for Production and Development (RSPD), 1201 Elmwood Park Boulevard, Mail Stop GE 933C, New Orleans, Louisiana, 70123-2394, within 30 days after completion of the drilling operation, a letter providing the well number, spud date, information demonstrating a target below 25,000 feet TVD SS and whether that target was reached,

and if applicable, any safety, mechanical or other problems encountered that prevented the well from reaching a depth below 25,000 feet TVD SS. The RSPD must concur in writing that the conditions have been met in order for the lessee to earn the 8-year extended initial period. The RSPD will provide a written response within 30 days of receipt of the letter provided.

A lease that has earned the 8-year extended initial period by spudding a well during the first 5 years of the lease with a hydrocarbon target below 25,000 feet TVD SS, confirmed by the RSPD, will not be eligible for a suspension for that same period under the regulations at 30 CFR 250.175 because the lease is not at risk of expiring.

- B. The standard initial period for a lease in water depths of 400 meters to less than 800 meters issued from this sale is 5 years. The lessee will earn an additional 3 years, for an 8-year extended initial period, if the lessee spuds a well within the first 5 years of the lease.

In order to earn the 8-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee earned the 8-year extended initial period. The BSEE District Manager will review the request and make a written determination within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 8-year extended initial period.

- C. The standard initial period for a lease in water depths of 800 meters to less than 1,600 meters issued from this sale will be 7 years. The lessee will earn an additional 3 years, for a 10-year extended initial period, if the lessee spuds a well within the first 7 years of

the lease. In order to earn the 10-year extended initial period, the lessee is required to submit to the appropriate BSEE District Manager, within 30 days after spudding a well, a letter providing the well number and spud date, and requesting concurrence that the lessee earned the 10-year extended initial period. The BSEE District Manager will review the request and make a determination. A written response will be sent to the lessee documenting the BSEE District Manager's decision within 30 days of receipt of the request. The BSEE District Manager must concur in writing that the conditions have been met by the lessee to earn the 10-year extended initial period.

D. The standard initial period for a lease in water depths of 1,600 meters or greater issued from this sale will be 10 years.

Minimum Bonus Bid Amounts

- \$25.00 per acre or fraction thereof for blocks in water depths of less than 400 meters
- \$100.00 per acre or fraction thereof for blocks in water depths of 400 meters or deeper

Rental Rates

Annual rental rates are summarized in the following table:

Rental Rates per Acre or Fraction Thereof		
Water Depth in Meters	Years 1-5	Years 6, 7, & 8+
0 to <200	\$7.00	\$14.00, \$21.00, & \$28.00
200 to <400	\$11.00	\$22.00, \$33.00, & \$44.00
400 +	\$11.00	\$16.00

Escalating Rental Rates for Leases with an 8-Year Extended Initial Period in Depths of less than 400 Meters

Any lease in water depths less than 400 meters that earns an 8-year extended initial period will pay an escalating rental rate as shown above. The rental rates after the fifth year for blocks in

less than 400 meters will become fixed and no longer escalate if another well is spudded after the fifth year of the lease that targets hydrocarbons below 25,000 feet TVD SS, and BSEE concurs that such a well has been spudded. In this case, the rental rate will become fixed at the rental rate in effect during the lease year in which the additional well was spudded.

Royalty Rate

- 18.75 percent

Minimum Royalty

- \$7.00 per acre or fraction thereof per year for blocks in water depths of less than 200 meters
- \$11.00 per acre or fraction thereof per year for blocks in water depths of 200 meters or deeper

Royalty Suspension Provisions

Leases with royalty suspension volumes (RSVs) are authorized under existing BSEE regulations at 30 CFR part 203 and BOEM regulations at 30 CFR part 560.

Deep and Ultra-Deep Gas Royalty Suspensions

A lease issued as a result of this sale may be eligible for RSV incentives for deep and ultra-deep wells pursuant to 30 CFR part 203, implementing requirements of the Energy Policy Act of 2005. These RSV incentives are conditioned upon applicable price thresholds:

- Certain wells on leases in 0 to less than 400 meters of water depth completed to a drilling depth of 20,000 feet TVD SS or deeper may receive an RSV of 35 billion cubic feet of natural gas.
- Certain wells on leases in 200 to less than 400 meters of water depth completed from 15,000 to 20,000 feet TVD SS that begin production before May 3, 2013, may receive

smaller RSV incentives.

LEASE STIPULATIONS: The map “Final, Western Planning Area, Lease Sale 229, November 28, 2012, Stipulations and Deferred Blocks” depicts those blocks on which one or more of five lease stipulations apply: (1) Topographic Features; (2) Military Areas; (3) Law of the Sea Convention Royalty Payment; (4) Protected Species; and (5) Agreement between the United States of America and the United Mexican States Concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico.

The texts of the stipulations are contained in the document “Lease Stipulations, Western Planning Area, Oil and Gas Lease Sale 229, Final Notice of Sale” included in the Final NOS Package. In addition, the “List of Blocks Available for Leasing,” contained in the Final NOS Package, identifies the lease stipulations applicable to each block.

INFORMATION TO LESSEES: The Final NOS Package contains an “Information to Lessees” document that provides information on certain issues pertaining to this oil and gas lease sale.

METHOD OF BIDDING: For each block bid upon, a bidder must submit a separate signed bid in a sealed envelope. The outside of the envelope should be labeled “Sealed Bid for Oil and Gas Lease Sale 229, not to be opened until 9 a.m., Wednesday, November 28, 2012.” The submitting company’s name, its GOM company number, the map name, map number, and block number should be clearly identified on the outside of the envelope.

The sealed bid should list the total amount of the bid in a whole dollar amount, as well as the sale number, the sale date, the submitting company’s name, its GOM company number, the map name, map number, and the block number clearly identified. The information required on the bid(s) and the bid envelope(s) are specified in the document “Bid Form and Envelope” contained

in the Final NOS Package. A blank bid form has been provided therein for convenience and may be copied and filled. The Final NOS Package includes a sample bid envelope for reference.

The Final NOS Package also includes a form for the telephone numbers and addresses of bidders. BOEM requests that bidders provide this information in the suggested format prior to or at the time of bid submission. The Telephone Numbers/Addresses of Bidders Form should not be enclosed within the sealed bid envelope.

BOEM published a list of restricted joint bidders for this lease sale in the *Federal Register* on October 23, 2012. Please also refer to joint bidding provisions at 30 CFR 556.41 for additional information. All bidders must execute all documents in conformance with signatory authorizations on file in BOEM's GOM Region Adjudication Section. Designated signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have an incumbency certificate setting forth the authorized signatories on file with the GOM Region Adjudication Section. Bidders submitting joint bids must include on the bid form the proportionate interest of each participating bidder, stated as a percentage, using a maximum of five decimal places (e.g., 33.33333 percent) with total interest equaling 100 percent. BOEM may require bidders to submit other documents in accordance with 30 CFR 556.46. BOEM warns bidders against violation of 18 U.S.C. 1860 prohibiting unlawful combination or intimidation of bidders. Bidders are advised that BOEM considers the signed bid to be a legally binding obligation on the part of the bidder(s) to comply with all applicable regulations, including payment of one-fifth of the bonus bid on all high bids. A statement to this effect must be included on each bid form (see the document "Bid Form and Envelope" contained in the Final NOS Package).

WITHDRAWAL OF BIDS: Once submitted, bids may not be withdrawn unless the BOEM

RD receives a written request for withdrawal from the company who submitted the bid(s), prior to 10 a.m. on Tuesday, November 27, 2012. This request must be typed on company letterhead and must contain the submitting company's name, its company number, the map name/number and block number(s) of the bid(s) to be withdrawn. The request must be in conformance with signatory authorizations on file in BOEM's GOM Region Adjudication Section. Signatories must be authorized to bind their respective legal business entities (e.g., a corporation, partnership, or LLC) and must have: (1) an incumbency certificate and/or specific power of attorney setting forth express authority to act on the business entity's behalf for purposes of bidding and lease execution under OCSLA, and (2) the authorized signatories on file with BOEM's GOM Region Adjudication Section. The name and title of said signatory must be typed under the signature block on the withdrawal letter. Should the BOEM RD or the BOEM RD's designee approve such a request, he or she will indicate approval by affixing his or her signature and the date to the submitting company's request for withdrawal.

ROUNDING: The bonus bid amount must be stated in whole dollars. If the block acreage contains a decimal figure, then prior to calculating the minimum bonus bid, round up to the next whole acre. The appropriate minimum rate per acre is then applied to the whole (rounded up) acreage. If the resulting calculation results in any cents, round up to the next whole dollar amount. The bonus bid amount must be greater than or equal to the minimum bonus bid. Minimum bonus bid calculations, including all rounding, for all blocks are shown in the document "List of Blocks Available for Leasing" included in the Final NOS Package.

BONUS BID DEPOSIT: Each bidder submitting an apparent high bid must submit a bonus bid deposit to the U.S. Department of the Interior's Office of Natural Resources Revenue (ONRR) equal to one-fifth of the bonus bid amount for each such bid. All payments must be

electronically deposited into an interest-bearing account in the U.S. Treasury by 11 a.m. Eastern Time the day following bid reading (no exceptions). Account information is provided in the Electronic Funds Transfer (EFT) instructions found on the BOEM website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Lease-Sales/229/index.aspx>. Under the authority granted by 30 CFR 556.46(b), BOEM requires bidders to use EFT procedures for payment of one-fifth bonus bid deposits for WPA Sale 229, following the detailed instructions contained on the Payment Information webpage that may be found on the ONRR website at <http://www.onrr.gov/FM/PayInfo.htm>. Acceptance of a deposit does not constitute and will not be construed as acceptance of any bid on behalf of the United States. If a lease is awarded, ONRR requests that only one transaction be used for payment of the four-fifths bonus bid amount and the first year's rental.

Please Note:

Certain bid submitters (i.e., those that are not currently an OCS mineral lease record title holder or designated operator or those that have ever defaulted on a one-fifth bonus bid payment (EFT or otherwise)) are required to guarantee (secure) their one-fifth bonus bid payment prior to the submission of bids. For those who must secure the EFT one-fifth bonus bid payment, the EFT instructions specify the requirements for each of the following four options: (1) Provide a third-party guarantee; (2) Amend bond coverage; (3) Provide a letter of credit; or (4) Provide a lump sum payment in advance via EFT.

WITHDRAWAL OF BLOCKS: The United States reserves the right to withdraw any block from this lease sale prior to issuance of a written acceptance of a bid for the block.

ACCEPTANCE, REJECTION, OR RETURN OF BIDS: The United States reserves the right to reject any and all bids. In any case, no bid will be accepted, and no lease for any block

will be awarded to any bidder, unless: (1) the bidder has complied with all requirements of this Final NOS, including those set forth in the documents contained in the associated Final NOS Package and applicable regulations; (2) the bid is the highest valid bid; and (3) the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not conform to the requirements of this Final Notice of Sale, OCSLA, and other applicable regulations may be returned to the bidder submitting that bid by the BOEM RD and not be considered for acceptance. The U.S. Department of Justice and the Federal Trade Commission will review the results of the lease sale for antitrust issues prior to the issuance of leases. To ensure that the Federal Government receives a fair return for the conveyance of lease rights for this lease sale, BOEM will evaluate high bids in accordance with its bid adequacy procedures. A copy of current procedures, “Modifications to the Bid Adequacy Procedures” at 64 FR 37560 (July 12, 1999), can be obtained from the BOEM Gulf of Mexico Region Public Information Office or via the BOEM Gulf of Mexico Region Internet website at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Regional-Leasing/Gulf-of-Mexico-Region/Bid-Adequacy-Procedures.aspx>. In the existing bid adequacy procedures, water depth categories in the GOM are specified as: (1) less than 800 meters, and (2) 800 meters or more. Per 64 FR 37560, if different water depth categories are used for a GOM sale, they are specified in the Final Notice of Sale. For WPA Sale 229, the water depth categories are specified as: (1) less than 400 meters, and (2) 400 meters or more.

SUCCESSFUL BIDDERS: BOEM requires each company awarded a lease to: (1) execute all copies of the lease (Form BOEM-2005 (October 2011), as amended), (2) pay by EFT the balance of the bonus bid amount and the first year’s rental for each lease issued in accordance with the

requirements of 30 CFR 218.155 and 556.47(f); and (3) satisfy the bonding requirements of 30 CFR part 556, subpart I, as amended.

AFFIRMATIVE ACTION: BOEM requires that, prior to bidding, the bidder file Equal Opportunity Affirmative Action Representation Form BOEM-2032 (October 2011) and Equal Opportunity Compliance Report Certification Form BOEM-2033 (October 2011) in the BOEM GOM Region Adjudication Section. This certification is required by 41 CFR part 60 and Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967. In any event, prior to the execution of any lease contract, both forms are required to be on file for the bidder in the GOM Region Adjudication Section.

GEOPHYSICAL DATA AND INFORMATION STATEMENT: Pursuant to 30 CFR 551.12, BOEM has a right to access geophysical data and information collected under a permit in the OCS.

Every bidder submitting a bid on a block in WPA Sale 229, or participating as a joint bidder in such a bid, must submit at the time of bid submission a Geophysical Data and Information Statement (GDIS) in a separate and sealed envelope, identifying all proprietary data, reprocessed speculative data and/or any Amplitude Versus Offset, Controlled Source Electromagnetic Surveys, Gravity or Magnetic data, or other information used as part of the decision to bid or participate in a bid on the block.

Please Note:

A bidder must submit the GDIS even if its joint bidder or bidders on a specific block also have submitted a GDIS. Any speculative data that has been reprocessed externally or in-house is considered proprietary due to the proprietary processing and is no longer considered to be

speculative. The GDIS should clearly state who did the reprocessing (e.g., an external company name or “in-house”). In addition, the GDIS should clearly identify the data type (e.g., 2-D, 3-D, or 4-D; pre-stack or post-stack; and time or depth); areal extent (i.e., number of line miles for 2-D, or number of blocks for 3-D) and migration algorithm (e.g., Kirchhoff Migration, Wave Equation Migration, Reverse Migration, Reverse Time Migration) of the data, velocity models used, and other requested metadata. The statement must also include the name, the phone number, and full address of a contact person, and an alternate, who are both *knowledgeable* about the information and data listed and *available* for 30 days post-sale; the processing company; the date processing was completed; owner of the original data set (who initially acquired the data); original data survey name; and permit number. Seismic survey information also should include the computer storage size to the nearest megabyte of each seismic data and velocity volumes used to evaluate the lease block in question. This will be used in estimating the reproduction costs for each data set during the requisition process prior to requesting data. BOEM reserves the right to query about alternate data sets, and to quality check and compare the listed and alternative data sets to determine which data set most closely meets the needs of the fair market value determination process.

- A. The statement also must identify each block upon which the bidder submitted a bid or participated as a partner in a bid, but for which it did not use proprietary or reprocessed pre- or post-stack geophysical data and information as part of the decision to bid or to participate in the bid. The GDIS must be submitted even if no proprietary geophysical data and information were used in bid preparation for the block.

B. In the event a company supplies any type of data to BOEM, that company must meet the following requirements to qualify for reimbursement:

1. Companies must be registered with the System for Award Management (SAM), formerly known as the Central Contractor Registration (CCR). Your CCR username will not work in SAM. A new SAM User Account to register or update your entity's records is needed. The website for registering is: <https://www.sam.gov>.
2. Companies must be enrolled in the Department of Treasury's Internet Payment Platform (IPP) for electronic invoicing. The company must enroll at the IPP (<https://www.ipp.gov/>) if it has not already done so. Access will then be granted to use IPP for submitting requests for payment. When a request for payment is submitted, it must include the assigned Purchase Order Number on the request.
3. Companies must have a current On-line Representations and Certifications Application at: <https://www.sam.gov>.

Please Note:

The GDIS Information Table can be submitted digitally on a CD or DVD as an Excel Spreadsheet. If you have any questions, please contact Dee Smith at (504) 736-2706 or John Johnson at (504) 736-2455.

FORCE MAJEURE: The BOEM RD has the discretion to change any date, time, and/or location specified in the Final NOS Package in case of a *force majeure* event that the BOEM RD deems may interfere with the carrying out of a fair and proper lease sale process. Such events may include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, and floods), wars, riots, acts of terrorism, fire, strikes, civil disorder, or other events of a similar nature. In

case of such events, bidders should call (504) 736-0557 or access BOEM's website at

<http://www.boem.gov> for information about any changes.

Tommy P. Beaudreau
Director, Bureau of Ocean Energy Management

October 22, 2012
Date

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